

### JRA Restitution Workgroup:

State of Maryland Central Collection Unit

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### **Collection Success in Government Agencies:**

How Technology Upgrades and Analytic Tools Increase Collection Revenue and Fund Government Sponsored Programs

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### Agenda



- Maryland Debt Collection
  - Agency Level
  - Centralization
  - Central Collection Unit (CCU)
  - Challenges
  - Replacement Strategy
- Frequently Asked Questions

# Maryland Department of Budget and Management Central Collection Unit



- The State of Maryland Central Collection Unit was created in July 1973
- Statute includes the ability to add up to a 20% collection fee to fund CCU operations
- The State of Ohio and the District of Columbia are similar to the Maryland Central Collection Unit

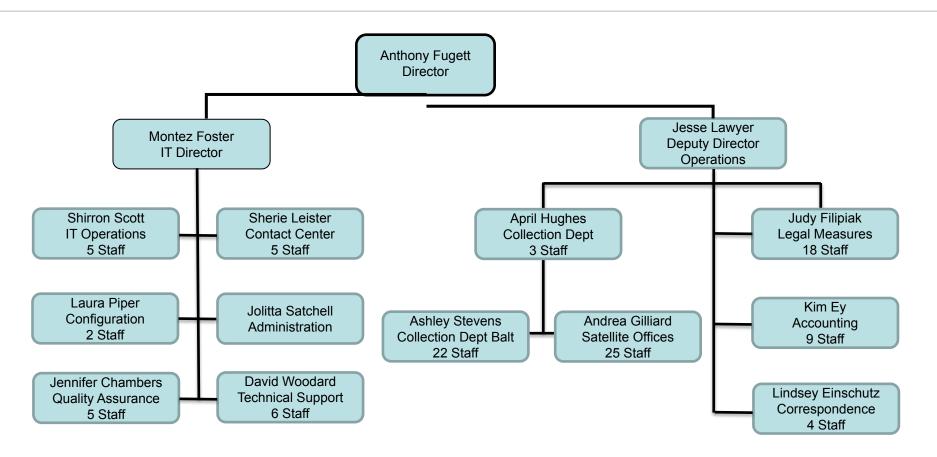


### Mission:

- Collect monies owed to the State from delinquent debtors
- Determine when compromise or settlement of a debt is in the State's best interest
- Monitor the effectiveness of debt collection practices of the referring agencies

### Central Collection Unit Organization Chart





### The State of Maryland Collects from Over 700 Active Clients

















## Department of Transportation

- Motor Vehicle Administration
- State Highway Administration
- Maryland
   Transportation
   Authority (EZ Pass)

## Department of Health and Mental Hygiene

- State hospitals
- Local health departments
- Medical Care Program Administration

### **University System**

- Colleges and Universities
- Community Colleges

#### Others

- Public safety
- MD Judiciary
- DLLR (unemployment)
- DHR (food stamps)

### 100% have delinquent accounts

# Centralizing Delinquent Account Collections within the State of Maryland



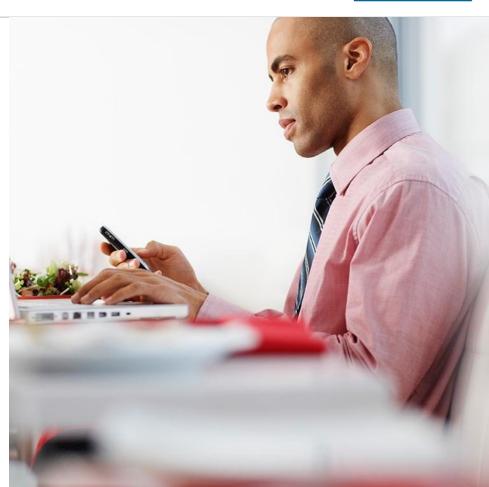
CCU debt collection operations contribute to the General Fund



### Challenges We Faced



- Growth
  - Increased collection activity
    - In FY1993, collections totaled 11 million
    - In FY2020, collections to be over 113 million
  - Increased personnel
    - In FY1993, personnel totaled 44
    - In FY2020, personnel totaled 121
- Legislative requirements
  - Call Recording
  - MD Income Tax Captures



### Replacement Strategy



- Implemented FICO Debt Manager version 11.1
  - scalable, web-based technology platform
- Implemented Noble VoIP Contact Center with configurable IVR
- Utilized BB&T merchant services with debtor access to IVR and web-based portal
- Implemented Hyland OnBase document management system



### CCU Modernization — Project Scope



#### **Core Functionality**

#### DEBTS

- · Debt referrals from Clients
- · Load new debt accounts electronically
- · Scan and store debt referral forms
- · Send electronic acknowledgement
- · Assign accounts to parent accounts

#### AGREEMENTS / CORRESPONDENCE

- · Debtors commit to payment plans via agreements
- · Debtors electronically sign agreements
- Store digitally-signed agreements in the database
- Store on-line debtor correspondence (e.g., checks)

#### PAYMENTS / REVENUE

- · Cash offices collect payments via walk-in or mail
- · IVR Phone system collect payments via telephone
- Enhanced web system collects payments via the
- · Electronic payments posted directly to system
- · Private Collection Agency receives payments
- · State funds offset (e.g., garnished wages, tax refund intercept, lottery winning offset, liability offset, etc.)
- · Post payments real-time to the collection system

#### ACCOUNTING

- · Receive payments real-time from various sources
- · General ledger of revenue payments / A/R
- · Reconcile real-time payments
- · Process checks for court fees
- · Daily balancing, month-end and year-end close
- · Transfer funds back to Clients

#### LEGAL

- Warning letter sent
- · Property liens and garnishments
- Investigation pre-work
- · Case management to include: pre-judgment drafts suit, capture of hearing / case comments, post legal fees to debtors account

#### REPORTING

- · Standard reports (e.g., Daily A/R balance, Monthend balance)
- Ad-hoc reports
- · Dashboard of Metrics (e.g., Top Key Indicators)

#### **COLLECTION ACTIVITY**

CCU collects all delinquent debts due to the State, excluding taxes and child support.



#### USER TYPES (1400+ users)

Debtors Fiscal Clerks / Collectors Investigators / Lawyers

Customer Service / Telephone Operator Accountants / Bookkeepers State Agency Users / Clients **CCU Administrators** 

Super Users

Red italicized text represents functionality or automation not currently implemented.

#### Components to be Modernized

#### SYSTEMS (20+)

- · FICO Debt Collection System
- Noble VoIP Contact Center
- · Noble Interactive Voice Response (IVR) System
- Noble Predictive Dialer
- · RCS Cashiering System
- · BB&T Merchant Services Systems
- · OnBase Document Management System
- QA Complete Defect Tracking System
- Enhanced Debtor Portal
- · Support Desk System
- · Accounting System
- · Legal Tracking System
- Test Automation System

#### 80+ INTERFACES (in or out of CCU)

- · Clients that provide debt referrals and adjustments
- · Comptrollers office for TRIP Liability Offset
- · PCA for payments
- · MVA Customer Connect
- · Tax Refund Intercept Program (TRIP)
- · BB&T real-time payment processing
- · DHS interface enhancements
- · FMIS replacement for financial reporting

#### **INFRASTRUCTURE**

- · Servers and server software
- · Printers (including receipt printers)
- Scanners
- · Network and network devices
- Workstations
- · Electronic signature pads
- · Satellite modifications
- · Amazon Web Services (AWS) Virtual Desktops · Kiosks

#### **OUTPUTS**

- · Standard Reports (provided by COTS Software)
- · Custom Reports
- Letters (7,000-14,000 weekly)
- · Delinguent Notices

### Frequently Asked Questions



### Clients

- What types of debt does the State of Maryland collect?
- How are appeal processes handled within the State of Maryland?

### Outsourcing

- Does the State of Maryland utilize a 3rd party collection organization?
- Does the State of Maryland utilize any external data sources to support collection operations?

## System Configuration

- How does the system handle different types of payment arrangements (i.e., different payment schedules, different interest rates, etc...)?
- Is the State of Maryland utilizing a consumer portal?

## System Implementation

- What is the engagement model with FICO?
- Does the State of Maryland utilize a system integrator for the implementation?

